

Proposed Negative Declaration

for

Noranda Grey Eagle Mines Inc.  
1000 Luther Gulch Road  
Happy Camp, CA 96039

and

Siskon Gold Corporation  
10556 Combie Road, Suite 6206  
Auburn, California 95602

Program to Reduce or Eliminate  
the Production of Acid Waters  
and Coincident Solubilization of Metals  
Occurring in the Historical Mine Workings

**Subject:** Negative Declaration prepared in accordance with Section 21080(c) of the Public Resources Code and Sections 15070 and 15071 of Title 14 of the California Code of Regulations.

**Location:** Noranda Grey Eagle Mines Inc.; 1000 Luther Gulch Road; Happy Camp, CA 96039 (See Attachment A).

**Proponents:** Noranda Grey Eagle Mines Inc.; 1000 Luther Gulch Road; Happy Camp, CA 96039

and

Siskon Gold Corporation; 10556 Combie Road, Suite 6206; Auburn, CA 95602

**Lead Agency:** California Regional Water Quality Control Board, North Coast Region; 5550 Skylane Boulevard, Suite A; Santa Rosa, California 95403

**Project Description:**

The proposed project consists of pumping lime slurry into the historical mine workings as part of the existing water treatment program. This action is expected to reduce the production of acid waters and coincident solubilization of metals, primarily copper, that is occurring in the historical mine workings. This will reduce the need for continued operation of a water treatment plant located in the South Fork of Luther Gulch and allow for a more passive closure program. Proposed is the construction of one or two holes into the lower mine stopes along with one or two holes into the upper most mine stopes. Mine water will be withdrawn from the lower stopes, mixed with lime, and then pumped back into the upper levels of the mine. The lime will neutralize the acidic waters and produce metal hydroxide precipitates which will coat the sulfide

minerals as well as settle into the flow pathways. This is expected to reduce the release of metals to the mine waters and the flow of groundwater through the mine.

South Fork of Luther Gulch Creek is a tributary of Luther Gulch Creek, which is a tributary of Indian Creek, which is a tributary of the Klamath River.

It is possible that the liming operation may have only a temporary effect on the acid production in the historical mine workings. If acid generation is not permanently eliminated, it may be necessary to repeat the process to keep acid production and metals concentrations within the desired limits. If acidic seepage waters continue to return, then cost-effectiveness studies will be prepared to compare the cost of periodic liming of the mine with the cost of operating the water treatment plant. If liming the mine does not cost-effectively eliminate the production of acid waters and metals dissolution, Noranda will continue to treat the seepage flows from the dam as required by Order No. 87-118, Id. No. 1A8411420SIS, i.e. the control of seepage water will revert to the existing water treatment program.

Human health and safety and the environment will be protected by implementing the mine liming project because the reduction in the production of acid rock generation and solubilization of metals will reduce the threat of releases of pollutants to Luther Gulch Creek.

The project proponent must comply with regulatory and permitting requirements which include consistency with the State Water Resources Control Board's Resolution 92-49, compliance with California Code of Regulations Title 27 requirements to the extent feasible, and conformance with any local, state and federal permitting requirements.

**Finding:**

The Regional Water Quality Control Board, North Coast Region (Regional Water Board) has prepared this Negative Declaration based on the attached Initial Study. The Regional Water Board finds no substantial evidence that there will be any significant adverse environmental impacts associated with the proposed project.